



# AN AMERICAN SOLUTION QUALITY AFFORDABLE HEALTH CARE

## HEALTH REFORM AT A GLANCE: SHARED RESPONSIBILITY

The bill will ensure that all Americans have access to quality, affordable health care coverage through shared responsibility among individuals, businesses and government. Individuals would be responsible for purchasing health insurance coverage and most employers would be responsible for offering coverage. Individuals, employers and the government would be responsible for contributing to the cost of coverage.

### SHARED RESPONSIBILITY:

#### THE GOVERNMENT WOULD ENSURE AFFORDABILITY OF COVERAGE THROUGH AFFORDABILITY CREDITS

True access to quality health care cannot happen if coverage is not affordable. The bill will ensure all Americans can afford health care coverage by providing affordability credits and expanding Medicaid for those below 400 percent of poverty.

- Affordability credits will be available for individuals and families with incomes above Medicaid eligibility (\$14,404 for an individual or \$29,327 for a family of four) up to 400 percent of poverty level (\$43,420 for an individual or \$88,200 for a family of four). The amount of credit is reduced as individual and family income increases.
- Only individuals and families who seek health care coverage in the Exchange will receive affordability credits.

#### ALL AMERICANS WILL BE RESPONSIBLE FOR HAVING HEALTH INSURANCE, EXCEPT IN CASES OF HARDSHIP

The reforms in the bill will make health care coverage more affordable so that all Americans have access to coverage that protects against catastrophic costs.

- Individuals who choose not to obtain basic health coverage will be subject to a modest penalty based on 2.5 percent of income. In no case would the penalty exceed the average cost of a health care policy in the Exchange.
- Hardship waivers will be granted to individuals based on criteria such as affordability or religious objections, among other reasons.

#### EMPLOYERS MAY CHOOSE BETWEEN PROVIDING COVERAGE FOR THEIR WORKERS OR CONTRIBUTING ON BEHALF OF THEIR WORKERS

Under the bill, employers have a responsibility to help make health insurance available for their employees. Businesses that do not offer health coverage to their workers would pay an 8 percent payroll tax to help subsidize coverage in the Exchange.

- Employers would contribute 72.5 percent of the cost of premiums for all full-time employees' health coverage and 65 percent for a family policy.

- Employers have the option of providing part-time employees with health coverage by contributing a share of the expense, or contributing to the Exchange in order for part-time employees to seek coverage there.
- In the fifth year after the Exchange begins, companies that offer health insurance would have to meet minimum coverage standards like those required of plans in the Exchange.
- If an employer chooses not to offer health coverage to its employees, a penalty will be assessed based on the size of company's payroll. That penalty will help fund the Exchange which is where that company's employees will purchase quality, affordable coverage.

#### SMALL BUSINESSES WOULD BE PROTECTED THROUGH EXEMPTIONS FOR LOW-WAGE FIRMS AND A NEW SMALL BUSINESS TAX CREDIT WOULD HELP FIRMS PROVIDING HEALTH COVERAGE

- Employers with annual payrolls that do not exceed \$250,000 are exempt from the requirement to provide health insurance to their workers. For employers with over \$250,000 in annual payroll, the penalty for not offering health insurance is 2 percent, rising up to the full 8 percent penalty for firms with annual payrolls above \$400,000.
- Workers in exempt firms would still be eligible to get coverage through the Exchange.
- Many small businesses will also be eligible to receive a tax credit for the health insurance offered to their workers.